

and expenditure requirements of the States and have recommended for transfer of Rs. 434905.40 crore to the States for the period 2000-05, which is an increase of 91.89 per cent over that of the transfers recommended by the Tenth Finance Commission for the period 1995-2000.

Debt Relief to NE States at Par with J&K

610. SHRI W. ANGOU SINGH: Will the Minister of FINANCE be pleased to state:

- (a) whether the Eleventh Finance Commission have recommended regarding the expenditures incurred by Jammu and Kashmir prior to 1991 for assessment by the Ministry of Home Affairs and Finance with State Government for providing debt relief to the State;
- (b) if so, the progress made in this regard and amount of debt relief provided to the State; and
- (c) the reasons not recommended by the Commission to provide debt relief to the North East States where the law and order situation is not better than that of J and K?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

- (b) Ministry of Home Affairs (Department of J&K Affairs) has already assessed the arrears of Security Related Expenditure in respect of Jammu & Kashmir for the period 1989-1998 and settled the same as per the existing guidelines for reimbursement of security related expenditure.
- (c) The Eleventh Finance Commission as per its terms of reference was required to make an assessment of the debt position of all States as on 31.03.1999 and suggest such corrective measures as are deemed necessary, keeping in view the long term sustainability for both the Centre and the States. The Government of India has since, accepted the recommendations of the Finance Commission.